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President Briefed Regularly on Contras, Had 'Liberal' View of Ban, Ex-Aide Says

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WASHINGTON—Former National Security Adviser Robert McFarlane said President Reagan was briefed regularly on Contra activities and adhered to a "far more liberal interpretation" than Mr. McFarlane of what was allowed under a law restricting U.S. aid to the Nicaraguan insurgents.

Appearing before House and Senate committees investigating the Iran-Contra affair, Mr. McFarlane testified that he "frequently" discussed the guerrillas' situation with Mr. Reagan after Congress voted to cut off U.S. military assistance in 1984. While insisting the president never asked him to do anything illegal, Mr. McFarlane said he subscribed to a stricter view of the law than Mr. Reagan regarding what the administration could do to assist the Contras.

"He had a far more liberal interpretation of that than I did," the former security adviser said, referring to the president.

During his testimony yesterday, Mr. McFarlane also appeared to put more distance between himself and his former aide, Marine Lt. Col. Oliver North. Mr. McFarlane said Col. North had been "wrong" in not keeping him better informed of his activities in support of the Contras. Mr. McFarlane also indicated that in 1985 the colonel had increasingly come under the direction of William Casey, the former director of the Central Intelligence Agency, who recently died.

Mr. McFarlane's testimony came as Mr. Reagan confirmed that his diary indicates he talked with Saudi King Fahd in February 1985 about increased Saudi contributions to help the Contras. Mr. Reagan said that he "expressed pleasure" about the aid but said he hadn't solicited the funds.

"My diary shows that I never brought it up," said Mr. Reagan during a White House picture-taking session with President Vinicio Cerezo Arevalo of Guatemala. "It (the diary) shows that the king, before he left, told me that he was doing that and that he was going to increase the aid."

After King Fahd met with President Reagan, the Saudis doubled their previous rate of contributions, donating an estimated \$25 million to the Contras. Despite the administration's insistence that the president didn't solicit the contributions, the elaborate scenario surrounding them—including the fact that the Saudi leader's meeting with President Reagan was held

privately in the White House family quarters—has provoked skepticism. "What was the quid for the quo in this case?" asked Sen. Daniel Inouye (D., Hawaii), chairman of the Senate investigating committee.

The White House said it generally isn't giving former officials access to records and documents as they prepare their testimony and possible legal defenses. But Mr. McFarlane on Tuesday said that a senior White House official had told him about the excerpt from the president's diary. Yesterday, White House aides acknowledged that senior officials contacted Mr. McFarlane in March while looking into press reports about the meeting with King Fahd. But White House spokesman Marlin Fitzwater said he could "guarantee" that the White House wasn't selectively cooperating with Mr. McFarlane.

Mr. McFarlane is expected to conclude his testimony today. Yesterday, in a rare display of emotion, he defended using Drug Enforcement Administration agents in an effort to free U.S. hostages in Lebanon. The former security adviser indicated that the plan fell within intelligence laws requiring congressional notification, but he angrily rejected Sen. Warren Rudman's (R., N.H.) question about why the administration had failed to do so.

"It is more than passing strange to me that we cannot aspire to a policy that is more effective to deal with terrorism," said Mr. McFarlane, decrying the restrictions imposed on the executive branch.

Mr. McFarlane said the president urged the National Security Council to help sustain the Contras during the congressional ban on U.S. military aid. While some have suggested the law didn't apply to the NSC, Mr. McFarlane said he believed the council staff was covered by the same prohibitions that applied to the CIA and other intelligence agencies.

"It was clear to me Mr. Boland didn't want anyone in the United States government helping the Contras," said Mr. McFarlane, referring to Rep. Edward Boland (D., Mass.), the chief author of the 1984 restrictions.

The former adviser indicated that a range of activities by Col. North in this period appeared to violate the restrictions. He said he had been concerned about any link between Contra fund-raising and Col. North's increasing speaking appearances in 1985, but he said that in "generic discussions" with the president about the law, Mr. Reagan appeared less concerned.

In an exchange with Sen. William Cohen (R., Maine) about Col. North's deal-

ings with former CIA director Casey, Mr. McFarlane said: "I became aware in the fall of '85 that Ollie had more contact than I had realized with the director."

Said Sen. Cohen: "It's rather clear that Oliver North was acting at least under the aegis of director Casey at this time." "Yes, sir," answered Mr. McFarlane.

Under questioning by Sen. George Mitchell (D., Maine), Mr. McFarlane conceded he didn't do enough last November to prevent Col. North from shredding documents related to the Iran-Contra affair. But he angrily denied that he had deceived Congress about the NSC staff's aid to the Contras.

He also accused John Nields, the counsel to the House committee investigating the scandal, of deliberately withholding information that shows Mr. McFarlane played a relatively minor role in drafting a misleading chronology of the affair last November.

Sen. David Boren (D., Okla.), chairman of the Senate Intelligence Committee, called Mr. McFarlane "a reliable man who's been put into a situation where he's violated his own high standards. The admission of that has been very painful for him." Rep. Peter Rodino (D., N.J.) observed that Mr. McFarlane seemed "torn" between his desire to tell all he knew about the Iran-Contra affair and his interest in defending the administration.

Sen. Mitchell summarized Mr. McFarlane's testimony this way: "Now, throughout these proceedings, you have assumed a willingness to accept responsibility. Indeed, it's been at times, an eagerness, an anxiousness to accept responsibility. You've said on several occasions, 'I am responsible.' But in each instance, it has been in a general sense.

"When the questioning has dealt with specific events, you have been far less willing to acknowledge responsibility there."